

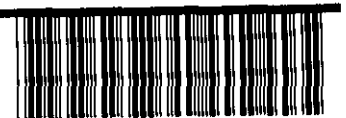
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Techniquet (Limited by Guarantee)

Council of Management's report and
consolidated financial statements

Registered number 1955696

31 July 1999



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Council of Management's report

The Council of Management present their annual report and the audited financial statements for the year ended 31 July 1999.

Techniquet is a registered charity limited by guarantee.

Business review

The principal activity of the group is to promote the advancement of education and improve the public perception of science and technology by establishing an exhibition in which visitors can interact with the exhibits.

Techniquet Enterprises Limited, a wholly owned subsidiary of Techniquet was formed in 1988 to generate supportive income through trading activities.

During the year Techniquet attracted over two hundred and thirteen thousand visitors to its science discovery centre which is situated in Cardiff Bay. Throughout the academic year it provided a well supported education programme.

The consolidated results for the year are shown in the attached financial statements. There was a deficit on operating activities in the year of £97,223 (1998: deficit £22,829).

Council of Management

The members of the Council of Management hold the powers of directors of the Company for the purposes of the Companies Act 1985. The liability of each member is limited to £1.

Those who held office during the year were:

R T F Plaut
R G Thomas
D P L Davies
Professor R H Williams FRS

DPL Davies is retiring from the Council at the Annual General Meeting after eight years of highly valued service, due to new commitments.

Dividend

The payment of a dividend or any other distribution to members is not permitted under the terms of Techniquet's Memorandum of Association.

Year 2000

There is currently world-wide concern about the risk of computers and equipment malfunctioning as a consequence of the millennium date change. The Council of Management have recognised the risk and have instigated a review in order to minimise the risk to the group. The review will include the group's own computer systems and its production and ancillary equipment, together with the possibility of the group's business partners encountering problems within their businesses.

Council of Management's report *(continued)*

Year 2000 *(continued)*

The Council of Management consider that the costs of rectifying any problems will be met out of existing budgets for maintenance and repairs.

Tax status

As Techniquet is a registered charity no provision has been made for taxation, however Techniquet Enterprises Limited's trading profits are subject to taxation.

Statement of members of the Council of Management's responsibilities

Company law requires the members of the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the surplus or deficit of the group for that year. In preparing those financial statements, the members of the Council of Management are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The members of the Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Auditors

A resolution for the reappointment of KPMG as auditors of the group will be proposed at the forthcoming Annual General Meeting.

By order of the Council of Management


Council of Management Member
R.G. THOMAS

Fitzalan House
Fitzalan Road
CARDIFF
CF2 1XZ

24/1 2000



Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE
United Kingdom

Report of the auditors to the members of Techniquet (Limited by Guarantee)

We have audited the financial statements on pages 4 to 15.

Respective responsibilities of the members of the Council of Management and auditors

As described on page 2 the company's members of the Council of Management are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members of the Council of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and the group's affairs as at 31 July 1999 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

9 Feb 2000

Consolidated statement of financial activities
for the year ended 31 July 1999

	<i>Note</i>	Restricted funds £	Unrestricted funds £	Total 1999 £	Total 1998 £
Incoming resources					
Admission fees		-	524,169	524,169	573,890
Grants for operating expenses and development costs	2	-	622,250	622,250	563,000
Grants for specific projects	2	312,966	-	312,966	334,205
Sundry income		-	42,735	42,735	35,760
Interest receivable		-	20,772	20,772	35,067
Net income of trading subsidiaries	3	-	83,204	83,204	71,760
Donations and sponsorship		-	1,000	1,000	4,026
Total incoming resources		312,966	1,294,130	1,607,096	1,617,708
Resources expended					
Direct charitable expenditure	4	(733,154)	(1,391,353)	(2,124,507)	(2,089,190)
	5	(420,188)	(97,223)	(517,411)	(471,482)
Taxation	6	-	-	-	(10,535)
Net outgoing resources after taxation		(420,188)	(97,223)	(517,411)	(482,017)
Fund balances brought forward		840,375	588,938	1,429,313	1,911,330
Fund balances carried forward		420,187	491,715	911,902	1,429,313

Statement of reserves

	Restricted capital £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 1998	840,375	38,938	550,000	1,429,313
Net outgoing resources for the year	(420,188)	(97,223)	-	(517,411)
Balance at 31 July 1999	420,187	(58,285)	550,000	911,902

Turnover and operating results relate entirely to continuing operations.

There are no recognised gains or losses in the year other than those passing through the income and expenditure account.

Consolidated balance sheet
at 31 July 1999

	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible assets	9		553,783		987,044
Current assets					
Stock	10	59,590		42,283	
Debtors	11	110,918		203,736	
Cash at bank and in hand		527,774		479,009	
		<u>698,282</u>		<u>725,028</u>	
Creditors: amounts falling due within one year	12	<u>(340,163)</u>		<u>(282,759)</u>	
Net current assets			358,119		442,269
Net assets			<u>911,902</u>		<u>1,429,313</u>
Income funds					
Restricted funds - capital funds	13		420,187		840,375
Unrestricted funds:					
General funds	13	(58,285)		38,938	
Designated funds	13	550,000		550,000	
		<u>491,715</u>		<u>588,938</u>	
	14		<u>911,902</u>		<u>1,429,313</u>

These financial statements were approved by the Council of Management on *24 January* 2000 and were signed on its behalf by:

RTE PLAUT
Council member

RTE Plaut
24/1/00

Company balance sheet
at 31 July 1999

	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible assets	9		507,017		946,014
Investment			2		2
			<hr/>		<hr/>
			507,019		946,016
Current assets					
Stock	10	969		1,030	
Debtors	11	178,616		200,660	
Cash at bank and in hand		501,134		457,135	
		<hr/>		<hr/>	
		680,719		658,825	
Creditors: amounts falling due within one year	12	(296,060)		(185,752)	
		<hr/>		<hr/>	
Net current assets			384,659		473,073
			<hr/>		<hr/>
Net assets			891,678		1,419,089
			<hr/>		<hr/>
Income funds					
Restricted funds - capital fund	13		420,187		840,375
Unrestricted funds:					
General funds	13	(78,509)		28,714	
Designated funds	13	550,000		550,000	
		<hr/>		<hr/>	
			471,491		578,714
			<hr/>		<hr/>
	14		891,678		1,419,089
			<hr/>		<hr/>

These financial statements were approved by the Council of Management on 24 January 2000 and were signed on its behalf by:

RTF PLAUT
Council member

RTF Plaut

Consolidated cash flow statement
for the year ended 31 July 1999

	<i>Note</i>	1999 £	1998 £
Cash inflow/(outflow) from operating activities		104,742	(73,571)
Returns on investment and servicing of finance	17	19,589	35,067
Taxation paid		(10,900)	(11,035)
Capital expenditure and financial investment	17	(64,666)	(140,228)
		<hr/>	<hr/>
Increase/(decrease) in cash in the year		48,765	(189,767)
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in liquid funds

	<i>Note</i>	1999 £	1998 £
Increase/(decrease) in cash in the year		48,765	(189,767)
Net liquid funds at beginning of year		479,009	668,776
		<hr/>	<hr/>
Net liquid funds at end of year	18	527,774	479,009
		<hr/>	<hr/>

Reconciliation of net outgoing resources to cash flow from operating activities

	1999 £	1998 £
Operating results	(517,411)	(471,482)
Interest receivable	(20,772)	(35,067)
	<hr/>	<hr/>
Net outgoing resources excluding interest	(538,183)	(506,549)
Depreciation charge	497,927	576,318
Loss on sale of tangible fixed assets	-	19,926
Increase in stocks	(17,307)	(10,098)
Decrease/(increase) in debtors	94,001	(95,308)
Increase/(decrease) in creditors	68,304	(57,860)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	104,742	(73,571)
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention modified to include the Council of Management's estimated valuation of certain exhibits of machinery and equipment, which have been donated by supporters of Techniquet. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities, except that grants awarded for specific projects are taken to income to match expenditure incurred.

Depreciation and amortisation

The cost or valuation of tangible fixed assets is written off by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	20% per annum
Plant, machinery and equipment	-	20-25% per annum
Fixtures, fittings and equipment	-	20-33% per annum
Exhibits	-	20% per annum
Motor vehicles	-	25% per annum
Workshop exhibits	-	20% per annum
Franchised exhibits	-	over the life of the franchise agreement
Development assets	-	20% per annum

Stock

Stocks are valued at the lower of cost and net realisable value.

The cost of raw materials is determined on a first in first out basis. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

General funds

The surplus or deficit on the income and expenditure account for the year is transferred to general funds. Where such funds have been set aside for specific purposes, or to meet future commitments, these are classified as designated funds as a separate category of general funds.

Notes (continued)

1 Accounting policies (continued)

Deferred income and grants

Capital grants are included within income as restricted funds in the statement of financial activities and released to unrestricted funds over the estimated useful economic lives of the assets to which they relate.

Grants and donations for specific projects are taken to the income and expenditure account when the related expenditure has been incurred, all other grants are taken to income when received. Income from franchised exhibits are recognised over the lifetime of the agreement.

Taxation

Taxation is based on the subsidiary's results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is made only to the extent that it is probable that an actual liability will crystallise.

2 Grants for operating expenses and development costs

	Restricted £	Unrestricted £	1999 £
Ongoing operational grant	-	622,250	622,250
Other grants	312,966	-	312,966
	<hr/>	<hr/>	<hr/>
	312,966	622,250	935,216
	<hr/>	<hr/>	<hr/>

3 Net income from trading activities of subsidiary

Techniquest has a wholly owned subsidiary, Techniquest Enterprises Limited, which is incorporated in the UK. Techniquest Enterprises Limited markets and retails goods and services at Techniquest's scientific exhibitions and sells and leases exhibits and exhibitions. A summary of their trading results before adjustment for intercompany trading is set out below:

	1999 £	1998 £
Turnover	485,387	476,127
Cost of sales	(297,845)	(213,204)
	<hr/>	<hr/>
Gross profit	187,542	262,923
Administrative expenses	(104,338)	(189,629)
	<hr/>	<hr/>
Profit before taxation	83,204	73,294
Amount covenanted to Techniquest	(73,204)	(63,294)
	<hr/>	<hr/>
Profit retained in the subsidiary	10,000	10,000
Consolidation adjustments		
Covenants	73,204	63,294
Other	-	(1,534)
	<hr/>	<hr/>
Profit for year	83,204	71,760
	<hr/>	<hr/>

Notes (continued)

4 Direct charitable expenditure

	Restricted £	Unrestricted £	1999 £	1998 £
Establishment	-	322,709	322,709	314,501
Staff costs	-	788,301	788,301	838,600
Professional fees	-	16,639	16,639	18,274
Administrative support	-	75,043	75,043	129,222
Travelling	-	4,184	4,184	12,771
Marketing	-	47,599	47,599	37,100
Special projects	312,966	84,760	397,726	231,472
Non capital development costs	-	-	-	3,601
Sale of fixed asset	-	-	-	19,926
Depreciation	420,188	52,118	472,306	483,723
	<u>733,154</u>	<u>1,391,353</u>	<u>2,124,507</u>	<u>2,089,190</u>

5 Staff numbers and costs

The average number of persons employed by the company during the year was as follows:

	1999	1998
Management	5	5
Administration	10	10
Support	95	103
	<u>110</u>	<u>118</u>

The aggregate payroll costs of these persons were as follows:

	1999 £	1998 £
Wages and salaries	995,969	981,643
Social security costs	79,167	78,975
	<u>1,075,136</u>	<u>1,060,618</u>

No employee earned over £40,000 per annum.

Notes (continued)

6 Taxation

	1999 £	1998 £
UK corporation tax	-	10,900
Adjustment relating to prior years	-	(365)
	<hr/>	<hr/>
	-	10,535
	<hr/>	<hr/>

No taxation is provided because of the utilisation of capital allowances.

7 Deficit for the financial year

	1999 £	1998 £
<i>Deficit for the financial year is stated after charging</i>		
Depreciation of tangible fixed assets	497,927	576,318
Auditors' remuneration	8,864	7,486
	<hr/>	<hr/>

8 Emoluments of the Council of Management

Members of the Council of Management did not receive any remuneration or expenses during the year under review (1998: £Nil).

Notes (continued)

9 Tangible fixed assets

	Group					Company						
	Motor vehicles	Fixtures fittings and equipment	Plant and machinery	Improvements to leasehold	Exhibits	Total	Motor vehicles	Fixtures fittings and equipment	Plant and machinery	Improvements to leasehold	Exhibits	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Cost												
At 1 August 1998	46,997	197,544	310,248	853,252	1,322,050	2,730,091	46,997	189,885	310,248	853,252	1,137,510	2,537,892
Additions	-	19,056	211	22,838	22,561	64,666	-	10,260	211	22,838	-	33,309
At 31 July 1999	46,997	216,600	310,459	876,090	1,344,611	2,794,757	46,997	200,145	310,459	876,090	1,137,510	2,571,201
Depreciation												
At 1 August 1998	29,636	122,186	269,898	487,172	834,155	1,743,047	29,636	114,712	269,898	487,172	690,460	1,591,878
Charge for year	8,681	49,394	18,361	174,638	246,853	497,927	8,681	47,103	18,361	174,638	223,523	472,306
At 31 July 1999	38,317	171,580	288,259	661,810	108,008	2,240,974	38,317	161,815	288,259	661,810	913,983	2,064,184
Net book value												
At 31 July 1999	8,680	45,020	22,200	214,280	263,603	553,783	8,680	38,330	22,200	214,280	223,527	507,017
At 1 August 1998	17,361	75,358	40,350	366,080	487,895	987,044	17,361	75,173	40,350	366,080	447,050	946,014

Notes (continued)

10 Stock

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Raw materials	969	1,030	969	1,030
Work in progress	28,018	12,191	-	-
Finished goods	30,603	29,062	-	-
	<u>59,590</u>	<u>42,283</u>	<u>969</u>	<u>1,030</u>

11 Debtors

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Trade debtors	49,345	96,385	7,196	28,385
Amounts owed by subsidiary company	-	-	122,806	72,605
Interest receivable	1,313	130	1,313	130
Other debtors	28,289	74,056	16,837	70,000
Prepayments	31,971	33,165	30,464	29,540
	<u>110,918</u>	<u>203,736</u>	<u>178,616</u>	<u>200,660</u>

12 Creditors: amounts falling due within one year

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Trade creditors	106,050	75,830	103,849	68,600
Taxation and social security other than corporation tax	55,189	63,891	38,352	44,777
Other creditors	10,000	10,000	10,000	10,000
Accruals	28,234	22,843	20,982	16,686
Deferred income	140,690	99,295	122,877	45,689
Corporation tax	-	10,900	-	-
	<u>340,163</u>	<u>282,759</u>	<u>296,060</u>	<u>185,752</u>

Notes (continued)

13 Analysis of funds

Group	Restricted capital £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 1998	840,375	38,938	550,000	1,429,313
Net outgoing resources	(420,188)	(97,223)	-	(517,411)
Balance at 31 July 1999	420,187	(58,285)	550,000	911,902

Company	Restricted capital £	Unrestricted general £	Unrestricted designated £	Total £
Balance at 1 August 1998	840,375	28,714	550,000	1,419,089
Net outgoing resources	(420,188)	(107,223)	-	(527,411)
Balance at 31 July 1999	420,187	(78,509)	550,000	891,678

14 Analysis of net assets between funds

Group	Restricted funds £	Unrestricted funds £	1999 Total £	1998 Total £
Tangible fixed assets	420,187	133,596	553,783	987,044
Net current assets	-	358,119	358,119	442,269
Total net assets	420,187	491,715	911,902	1,429,313

Company	Restricted funds £	Unrestricted funds £	1999 Total £	1998 Total £
Tangible fixed assets	420,187	86,832	507,019	946,014
Net current assets	-	384,659	384,659	473,075
Total net assets	420,187	471,491	891,678	1,419,089

Notes (continued)

15 Capital commitments

At 31 July 1999 the company had no capital commitments (1998: £Nil).

16 Restricted funds

Techniquet receives income to complete special projects and there is usually an element of match funding provided by Techniquet to complete the project. The income funds of the charity include restricted funds relating to the Millennium award scheme. Techniquet are responsible for all costs relating to the administration of the Millennium award scheme in excess of funds provided by the Millennium Commission.

17 Notes to the cash flow statement

	1999 £	1998 £
Returns on investments and servicing of finance		
Bank interest received	19,589	35,067
	<hr/>	<hr/>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(64,666)	(146,303)
Disposal proceeds from sale of fixed assets	-	6,075
	<hr/>	<hr/>
	(64,666)	(140,228)
	<hr/>	<hr/>

18 Analysis of liquid funds

	Cash at bank and in hand £
At 31 July 1997	668,776
Cash flows	(189,767)
	<hr/>
At 31 July 1998	479,009
Cashflows	48,765
	<hr/>
At 31 July 1999	527,774
	<hr/>

19 Related party transactions

The exemption given under Financial Reporting Standard No 8 from the requirement to disclose transactions with related parties where 90% of the voting rights are controlled by the same group has been adopted.